

No.	Report Section/Issue	Report Statement	BIA Review Question/Concern	Response
Comments from BIA received September 20, 2019				
1	Compliance with the requirements of the Mitigation Fee Act	"...the local agency shall determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed."	Has MCWD established the reasonable relationship of fee of the facilities to the developments?	Yes, a reasonable relationship between capacity fees and public facilities has been created through a hybrid buy-in plus marginal future fee calculation. Total assets and shared capital costs are divided among current and future users, while future capital costs are divided among future users only. (BWA)
1A		(g) A fee shall not include the costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.	Has MCWD presented the costs attributed to existing deficiencies?	Yes, this is included in respective Master Plan CIPs and in accordance with AB1600. (AKEL)

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1B		(a) Any local agency which levies a fee subject to Section 66001 may adopt a capital improvement plan, which shall indicate the approximate location, size, time of availability, and estimates of cost for all facilities or improvements to be financed with the fees.	Is MCWD's fee estimate based on a cost for all facilities/improvements?	Yes, the capacity fee study accounts for the proportionate share of all improvements to be financed with the fees. (BWA)
1C			Has a Value Engineering Study been completed and have the results been included in the reporting and or made available for public review?	No, costs are based on typical master planning level unit costs, and in accordance with the Association for the Advancement of Cost Engineering Order of Magnitude classification. (AKEL)
1D			Is there a detailed Engineers Cost Estimate for each of the CIP's and have they been made available for public review?	No, costs are based on typical master planning level unit costs, and in accordance with the Association for the Advancement of Cost Engineering Order of Magnitude classification. (AKEL)
1E			Have the following project delivery methods been considered as a way of reducing project costs: Design-Build; Construction Manager at Risk; Public-Private Partnerships; or are the cost estimates based on the use of traditional Design-Bid-Build methods of project delivery?	No, these costs are based on typical design-bid-build. Improvements that may be associated with a single development have been removed from the Capacity Fees, though the improvements remain in the CIP as a placeholder for MCWD staff. (AKEL)

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2	MCWD's Annexation of Former Fort Ord into MCWD's Service Area	This year MCWD, through LAFCO was able to secure the annexation of the Former Fort Ord into its Service area.	It seems reasonable that if not already completed, MCWD will need to go through an election to select a new Board member.	No, Board members are elected at-large for four-year terms staggered on even years. Two members are elected in one election and 3 in the next. (MCWD)
2A			Is it fair to the residents on Former Fort Ord lands to have new capacity fees established ahead of seating a local representative?	Elections are at large. Board members represent the voters at large. (MCWD)
2B			Could the future makeup of MCWD's Board potentially impact the process and outcome for approving new utility fees?	The future MCWD Board makeup could impact future fees when revisited. (MCWD)
2C			Wouldn't it be prudent for the fee increase to wait until the entire MCWD service area residents had Board representation and before approval of new fees on those lands would be imposed?	Service area residents have MCWD Board representation because they represent the voters at large. The Ord Community has elected representation on the FORA Board through June 30, 2020. (MCWD)
3	Section 1 Introduction, Background, & Government Code	District operations are further split between water and sewer, resulting in four cost centers, Marina Water, Marina Sewer, Ord Water and Ord Sewer.	Therefore, there are no cost centers for Marina Recycled Water and Ord Recycled Water	The Recycled Water Master Plan CIP is included in the Water Cost Center Portfolio. The use of recycled water offsets groundwater usage thereby remaining all one water supply. (MCWD)

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4	Section 2.1 Current Capacity Fees	"Recycled Water infrastructure and capital are included in the water capacity fee calculation."	What is the basis for not having cost centers for Marina Recycled Water & Ord Recycled Water?	The Recycled Water Master Plan CIP is included in the Water Cost Center Portfolio. The use of recycled water offsets groundwater usage thereby remaining all one water supply. (MCWD)
4A	Section 2.1 Current Capacity Fees	Table 1 includes a footnote that Marina and Ord Water and Wastewater capacity fees do not include regional wastewater fees.	How / where are the regional wastewater fees accounted for?	"Regional wastewater fees" refers to the Monterey One Water Fee of \$3,507 per EDU. They are reflected in the survey but are not part of MCWD's capacity fee calculation. (BWA)
4B			Are they in addition to the capacity fees shown in Table 1?	Yes, Marina and Ord customers are subject to the Monterey One Water Fee as well. A credit is currently available to Ord developers for the Monterey One Water Fee. (BWA)

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5A	2.1.1 EDU Calculation Methodology	The Existing Assigned Water Use rate is assigned 0.33 AFY regardless of the type of residence (single family, multiple dwelling, condominium, trailer spaces and mobile homes).	What is the basis for the Proposed Assigned Water Use Rate by AFY? What is the basis for estimating water demands for residences that are larger and smaller than a single-family unit?	The MCWD water use factors in Appendix C have not been updated in many years. BWA surveyed the water use factors used by other coastal California water agencies and a 2011 consultant's analysis for MPWMD to see how MCWD's Appendix C compares. The other coastal water agencies included Soquel Creek Water District (near Santa Cruz), the City of Santa Barbara, Monterey Peninsula Water Management District (MPWMD), Cal-American Water District – Monterey and a 2011 study by A&N Technical Services for MPWMD. (BWA)
5B		Because the precise number of EDUs for each zone in the District was not available at the time of this study, BWA estimated EDUs based on an AKEL Engineering and District Updated estimation of current average demand at 0.28AF/Y/EDU.	Why is precise number of EDUs for each zone in the District not available?	EDU estimates for Marina and Ord were updated using a calculation factoring in water and wastewater demand (AKEL) and water use estimates (BWA/MCWD). Previous EDU estimates were based on outdated information. This will be clarified in the final Capacity Fee Study.

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5C			<p>Reviewing MCWDs EDU estimates: $(0.28\text{AF}/\text{Y}/\text{EDU}) \times (325,851 \text{ gpd}/\text{AF}) / 365 \text{ days}/\text{Y} = 250 \text{ gpd}/\text{EDU}$. Using the Districts typical household population of 2.8 persons per unit results in an estimate of 90 gpcd. The state indoor water use standard is 55 gpcd. 90 gpcd INTERIOR water demand - 63 gpcd sewer flow leaves 27 gpd for all EXTERIOR demand or 0.03 AFY/EDU. Is that sufficient?</p>	<p>The calculation of 0.03 AFY appears to have neglected to account for population (2.8 people per EDU). Accordingly, the water use that does not return to the sewer is calculated at 0.084 AFY/EDU. 30% of total water use attributed to non-return sewer uses is consistent with current MCWD trends. (AKEL)</p>
6	3.4 Current and projected customers to Near-Terms	The report anticipates that 79% of Ord's growth will occur in the next 16 years and only 17% of growth in Marina in that same near-term timeframe?	What is the basis for the growth projections used? Are they consistent with actual growth experienced to date?	<p>Growth estimates are based on the City of Marina General Plan and the FORA CIP development limits. (AKEL)</p> <p>FORA projections are provided by Jurisdictional forecasts for residential, retail, commercial, industrial and hotel buildout through 2028. Each jurisdiction provides forecasts for its parcels within the former Fort Ord, and updates the forecasts annually in the FORA Capital Improvement Program.</p>
6A			MCWD's 2005 UWMP anticipated growth of approximately 40% over a 20-year period that was not realized.	The Master Plans referenced the 2015 UWMP, however, growth is based on the buildout of the Central Marina cost center, in accordance with the City of Marina General Plan, and the FORA CIP development limits. (AKEL)

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7	3.6 Estimated Plumbing Fixture Units per EDU	Table 8 identifies Toilets with 1.28 gallons per flush at a rate of 3 DFU per toilet.	MCWDs specification and the CPC identifies that new toilets should have an effective flush volume not to exceed 1.28 gallons per flush. The District should cross check the estimate of fixture units against its specifications to determine if the numbers of fixture units would be reduced on this basis.	This is a typo that will be revised in the final Capacity Fee Study. A 1.28 gallon toilet is 3 DFU. Sections 3.6 and 3.7 to be updated accordingly. (BWA)
8	Landscape Water Use	Fees are collected based on an EDU conversion factor instead of a cost per gallon	The lower water use per EDU proposed will increase this irrigation conversion amount, and thus increase the fees collected.	Updated landscape irrigation factors were requested by the development community and BWA recommended a lowered amount. This would lower the EDU assessment and result in a lower fee. (BWA)
8A		Landscape irrigation with potable water is not modeled for system capacity as its use is off peak and fire demand is much greater.	Capacity fees should take this into consideration and not double dip on landscape capacity fees.	Please clarify – what report statement is this referring to?
8B		Equivalent Landscape EDUs are not accounted for in the financial analysis, even though the District would be collecting these fees.	Landscape EDUs should either be counted as revenue for the District to lower other EDU fees, or they should not be collected at all.	Landscape demand is factored into total water demand and the water capacity fees. (BWA)

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8C			Why not separate out recycled water fees (paid for with new irrigation meter connections) instead of lumping them in with potable water?	The use of recycled water offsets groundwater usage thereby remaining all one water supply. (MCWD)
8D			How will monthly charges for recycled water compare to potable water?	The anticipation is that the recycled rate will be the same as the potable water rate. (MCWD)
9	Table 5 of the Capacity Fee Study	The average existing and near-term wastewater EDUs are more than the average water EDUs.	These numbers should be checked as it would seem that wastewater EDUs should be less than water EDUs.	The total existing and near-term water EDUs (12,962 and 18,842) are higher than the existing and near-term wastewater EDUs (11,494 and 16,494, respectively). (BWA)
9A			How are EDUs accounted for with regard to the estimated rates to be collected? Are they included in the estimated growth?	Yes, growth EDUs were used to estimate development. Development-related costs are divided among these users. (BWA)
10	Equivalent Dwelling Unit (EDU)		If the District has acknowledged that different housing types use different amounts of water, will different EDU types pay different fees?	Yes. Different housing types will have a different water EDU assessment based on the determined water use for that housing type. See Appendix C. (BWA)

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10A			Sewer fees should be scaled in a similar fashion to the different water EDUs to account for a more accurate representation of sewer generation based on house size and use types.	Sewer EDUs are estimated based on number of fixture units and the California Plumbing Code. (MCWD)
10B			EDUs seem appropriate for budget estimates on a master plan level, but given the high dollar amounts at stake for individual fees it seems more appropriate to charge actual capacity fees on a fixture unit basis (for sewer and water) so that they are more fairly applied.	Water fixture units are helpful in determining flow rate (for pipe and meter sizing) but not for annual volume of use (for annual capacity). Drainage fixture units adequately describes the capability for sanitary sewer. (MCWD)
10C			Water use factors should be included to account for university-type buildings such as classrooms and dormitories.	The proposed update to Appendix C includes water use factors for group housing (dormitories). Classrooms are proposed to be classified as Office (government, education). (BWA)

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11		Many near-term CIP projects are adjacent to long-term build-out areas (such as Eucalyptus Road and General Jim Moore Blvd). Capacity Fee	Calculations for near-term CIP projects that are adjacent to long-term development areas should consider the larger population that will utilize those projects as the costs would otherwise be disproportionately covered by near-term development. Costs for long-term CIP projects that expand the network beyond the current near-term development area would obviously be covered by a future fee, but there is a distinct benefit that some near-term CIP projects are providing future long-term development.	The near-term CIP has appropriately sized the projects for near-term development only. The water and sewer master plans include a separate improvement schedule noting the buildout improvement size requirement and the appropriate cost sharing, as adjusted for long-term growth. Should MCWD choose to construct the long-term improvement recommendation, an oversizing agreement would be used. (AKEL)
12	Water Demand Factors	MCWD has developed Water Demand Factors that are used in their Urban Water Management Plan. Additionally, MCWD has developed a set of Proposed Assigned Water Use Rate By Acre-Ft.	The 2015 UWMP Update Table 3.4 presents "Water Demand Factors Applied in the UWMP. Many of these unit values are the same as the ones proposed. However, in residential and several non-residential categories, the unit values are different than what has been proposed in the Capacity Fee Study. Why aren't these unit demands proposing the same value as what is in the UWMP?	The 2015 Urban Water Management Plan did not consider other factors. The proposed update to water use factors represent the most up to date information available. (BWA)
12A			What unit values will be used for future Water Supply Assessments and Written Verification of Supply Availability?	The proposed water use factors would have to be adopted by the District Board of Directors before they can be used in future water supply assessments. (MCWD

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13	Population Projections	The District is expecting significant growth to near-term buildout in 2035 per the projections in the latest Sewer Master Plan. BWA evaluated several methodologies for customer growth and concluded that the most reasonable methodology to apply is the projected change in average day demand from 2019 to near-term buildout, representing 24% growth in Marina and 79% growth in Ord between now and 2035.	Please describe the procedures used to develop 24% and 79% growth in Marina and Ord respectively. Have the growth projections been corroborated with the County, US Census Bureau, or other agencies for accuracy?	<p>The growth projections are based on adopted policy documents for the City of Marina and Fort Ord Reuse Authority. (AKEL)</p> <p>FORA projections are provided by Jurisdictional forecasts for residential, retail, commercial, industrial and hotel buildout through 2028. Each jurisdiction provides forecasts for its parcels within the former Fort Ord, and updates the forecasts annually in the FORA Capital Improvement Program.</p>
Additional Comments from Stakeholder Meeting on October 10, 2019				
14			<p>Why are all residential types and hotel rooms charged one EDU for sewer? They should be charged according to the number of fixture units (a fraction of the typical SFR like proposed for water).</p>	<p>MCWD is planning to amend the water code as follows: Plumbing Code for non-residential, minimum of 1 EDU (hotels are included in Non-Residential)</p> <p style="padding-left: 40px;">SF Residential: 1 EDU MF Residential: 0.8 EDU per unit with 1 EDU minimum</p>

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15			One of the attendees claimed to be told at a Council Meeting that The City of Marina will be collecting the CFD fee for water augmentation on MCWD's behalf when FORA ceases to exist.	At this time, no other agency has been authorized to collect fees for water augmentation on behalf of MCWD at the sunset of FORA's operations, currently planned for June 30, 2020.
16			The construction contingency allowance of 48.5% and project related cost allowance of 25% is over inflated. MCWD should use recent real project data to develop detailed estimates.	Based on previous project experience, MCWD maintains these contingencies and consistent with previous planning efforts.
17			Developers shouldn't have to pay FORA CFD for water supply and then pay MCWD for water supply again. That's double charging.	FORA will not complete its water augmentation obligation in full under the Base Reuse Plan CEQA mitigations by June 30, 2020. MCWD will likely be the successor agency for this responsibility. MCWD and FORA do not plan to implement the new Capacity Fees as a replacement to the CFD until July 1, 2020 following the sunset of FORA CFD. FORA has provided \$4.3 million of the existing obligation to MCWD under the 2016 Pipeline Reimbursement agreement. The capacity fees proposed would replace the CFD Fee for the remaining FORA Water Augmentation obligation less the Pipeline Agreement funding already collected and paid. See the FORA 2019/2020 CIP for further detail.

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18			<p>If MCWD settled for \$4.3 Million on recycled water from FORA developers, shouldn't have to pay. Collect it from the ratepayers.</p>	<p>FORA provided \$4.3 million to MCWD under a Pipeline Reimbursement Agreement in 2016. This was recognized as a portion of the total FORA Water Augmentation obligation. The Pipeline Reimbursement Agreement provided funding to a defined project and was not a settlement. The remaining obligation awaits further project definition, via the FORA, MCWD, M1W Three Party Agreement. CFD money paid to date was allocated based on FORA project priorities, and is independent of MCWD project readiness.</p>
19			<p>Does Injection Barrier really need to be in the Capacity fee? Everyone (ratepayers benefit from it).</p>	<p>It is needed to ensure there is sufficient water supply within the near-term planning horizon. However, MCWD is agreeable to updating its fees and rates following the GSP adoption in January 2022.</p>
20			<p>Capacity fees should not have to pay the for the replacement cost of the existing system infrastructure. MCWD is just inflating the Carollo figure of \$24M to \$36 M to make a profit.</p>	<p>The asset value is based on the 2018 CAFR and includes replacement cost for each asset less depreciation, water rights, easements, and any capital contributions. This value has been escalated to 2019 based on the change in the ENR CCI. The buy-in portion of the Capacity Fee represents new growth's benefit share of the existing system assets.</p>

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21			BIA would like to extend an offer to have a technical committee review of the masterplans with Whitson, C3, RJA and Brezack with the MCWD and master planning consultants.	The Master Plans were developed following a competitive bidding process, with MCWD selecting a qualified engineering firm to update these master plans. Akel Engineering Group is a specialty firm, with staff having a combined 55 years of master planning experience, and having worked on over 450 master plans throughout the United States. Nevertheless, MCWD has also requested other engineering firms to review the draft master plans in a technical capacity, and their comments were reflected in the final reports.
22			Rates should be updated concurrent with the Capacity Fees. These documents should be adjusted at the same time.	The rate study was last updated in 2018 and has no impact on these Capacity Fees. The rates are typically updated every five years.

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23			<p>Why is MCWD not using updated water use information based on the new development standards and reduced water use?</p>	<p>This response was previously provided on October 10, 2019, and pertaining to item 5A: The MCWD water use factors in Appendix C have not been updated in many years. <i>BWA surveyed the water use factors used by other coastal California water agencies and a 2011 consultant’s analysis for MPWMD to see how MCWD’s Appendix C compares. The other coastal water agencies included Soquel Creek Water District (near Santa Cruz), the City of Santa Barbara, Monterey Peninsula Water Management District (MPWMD), Cal-American Water District – Monterey and a 2011 study by A&N Technical Services for MPWMD. (BWA)</i></p> <p>As a supplement to this response, MCWD performed an analysis and as a part of this master planning effort that evaluated existing water meter records based on water meter size and consumption. This study, in conjunction with the results of the Coastal Community Survey, justified the reduction from 0.33 AFY/EDU to 0.28 AFY/EDU.</p>